

**ENTERED**

August 26, 2021

Nathan Ochsner, Clerk

**IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE SOUTHERN DISTRICT OF TEXAS  
HOUSTON DIVISION**

|                                                                    |                                  |
|--------------------------------------------------------------------|----------------------------------|
| <b>In re:</b>                                                      | § <b>Chapter 11</b>              |
|                                                                    | §                                |
| <b>COUNTRY FRESH HOLDING<br/>COMPANY INC., et. al.<sup>1</sup></b> | § <b>Case No.: 21-30574 (MI)</b> |
|                                                                    | §                                |
| <b>Debtors.</b>                                                    | § <b>Jointly Administered</b>    |
|                                                                    | §                                |

**STIPULATION AND AGREED ORDER REGARDING TURNOVER  
OF TRUST RECEIPTS TO BUYER SUN RICH FOODS CANADA INC. PURSUANT  
TO CANADIAN SALE ORDER, APA, AND TSA**

This stipulation and agreed order is entered into by and between Janet Northrup, as chapter 7 trustee (the “**Trustee**”) of the estates of Country Fresh Holding Company Inc., et al. (collectively, the “**Debtors**”), Sun Rich Foods Canada Inc. (formerly 1296493 B.C. Ltd.) (the “**Buyer**” and, together with the Trustee on behalf of the Debtors, collectively, the “**Parties**”). The Parties hereby stipulate and agree as follows:

**RECITALS**

WHEREAS, on February 15, 2021, the Debtors filed voluntary petitions for relief under chapter 11 of the Bankruptcy Code;

WHEREAS, on February 17, 2021, Sun Rich Fresh Foods Inc. (the “**Seller**”), commenced a proceeding (the “**Canadian Proceeding**”) under the *Companies’ Creditors Arrangement Act*

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<sup>1</sup> The Debtors in these Chapter 7 cases and the last four digits of each Debtors’ taxpayer identification number are as follows: Country Fresh Holding Company Inc. (7822); Country Fresh Midco Corp. (0702); Country Fresh Acquisition Corp. (5936); Country Fresh Holdings, LLC (7551); Country Fresh LLC (1258); Country Fresh Dallas, LLC (7237); Country Fresh Carolina, LLC (8026); Country Fresh Midwest, LLC (0065); Country Fresh Orlando, LLC (7876); Country Fresh Transportation LLC (8244) CF Products, LLC (8404) Country Fresh Manufacturing, LLC (7839); Champlain Valley Specialty of New York, Inc. (9030); Country Fresh Pennsylvania, LLC (7969); Sun Rich Fresh Foods (NV) Inc. (5526); Sun Rich Fresh Foods (USA) Inc. (0429); and Sun Rich Fresh Foods (PA) Inc. (4661). The Debtors’ principal place of business is 3200 Research Forest Drive, Suite A5, The Woodlands, TX, 77381.

(Canada) (the “**CCAA**”) with the Ontario Superior Court of Justice (Commercial List) (the “**Canadian Court**”) in respect of the Seller;

WHEREAS, on March 26, 2021, the Canadian Court approved the sale of substantially all the Seller’s assets to Save-On-Foods Limited Partnership (whose rights were subsequently assigned to Buyer) pursuant to the *Approval and Vesting Order* (as the same has been and may further be amended, supplemented, or otherwise modified from time to time in accordance with its terms, together with all exhibits thereto, the “**Canadian Sale Order**”);

WHEREAS, as authorized by the Canadian Sale Order, the Debtors and the Buyer entered into that certain Asset Purchase Agreement, dated as of March 25, 2021 (as the same has been and may further be amended, supplemented, or otherwise modified from time to time in accordance with its terms, together with all exhibits and schedules thereto, the “**Canadian APA**”);

WHEREAS, as authorized by the Canadian Sale Order and the Canadian APA, Country Fresh, LLC, the Seller, Tiffany Gates Foods Inc., and Buyer entered into the Transition Services Agreement, dated as of April 15, 2021 (as the same has been and may further be amended, supplemented, or otherwise modified from time to time in accordance with its terms, together with all exhibits and schedules thereto, the “**TSA**”).

WHEREAS, on April 15, 2021, the closing of the sale with the Buyer occurred;

WHEREAS, on June 21, 2021, the Court entered the *Order (I) Authorizing and Approving the Conversion of the Chapter 11 Cases, (II) Extending the Designation Rights Period, and (III) Granting Related Relief* [Docket No. 719] (the “**Conversion Order**”);

WHEREAS, on June 21, 2021, the Trustee was appointed as the Chapter 7 Trustee in the above-captioned cases;

WHEREAS, pursuant to the Canadian Sale Order, APA, and TSA the Debtors receive proceeds, including payment on accounts receivable (including credit card receivables), other

assets and cash, monies, checks, negotiable instruments or accounts receivable relating to the period after Closing, that either the Buyer purchased or are the Buyer's assets, which the Trustee holds in trust for Buyer and is required to remit to Buyer in accordance with the Canadian Sale Order, APA, and TSA (collectively, the "**Trust Receipts**");

WHEREAS, the Trustee holds Trust Receipts due to the Buyer under the Canadian Sale Order, APA, and TSA, for funds deposited in the Debtors' bank accounts from May 4, 2021 through July 10, 2021 in the amount of \$2,566,758.77; and

WHEREAS, the Trustee desires to turnover such funds in the amount of \$2,566,758.77 to the Buyer and the Buyer desires to receive such funds;

WHEREAS, the Trustee desires to direct the banks receiving Trust Receipts due to Buyer to stop taking deposits to avoid further cost to the estate in accounting for and turning over such Trust Receipts;

WHEREAS, additional Trust Receipts due to the Buyer may have been and may continue to be received by the Debtors and the Trustee; and

WHEREAS, the Trustee desires to turnover such additional Trust Receipts to Buyer promptly after becoming aware of such receipt and confirming reconciliation of amounts due under the relevant agreement and the Buyer desires to receive such funds.

**NOW, THEREFORE, IT IS HEREBY STIPULATED AND AGREED AS FOLLOWS:**

1. The recitals to this Stipulation and Agreed Order are incorporated as if fully set forth herein.

2. The Trustee is hereby authorized in accordance with the Canadian Sale Order, APA, and TSA, and this Stipulation and Agreed Order (i) to release Trust Receipts in the Debtors accounts as of July 10, 2021 in the amount of \$2,566,758.77 to the Buyer via instructions provided

by Buyer to the Trustee which funds represent accounts receivable received by the Debtors and the Trustee from May 4, 2021 through July 10, 2021 and (ii) to release any additional Trust Receipts received by the Debtors and the Trustee after becoming aware of receipt of same and reconciliation of the amount due under the relevant agreement.

3. The Trustee is authorized to direct banks to not honor deposits and is authorized to take any actions reasonably necessary to cause Trust Receipts to be directed to the Buyer, such as executing agreements with third party payors.

4. The Parties are authorized to take all actions necessary to effectuate the relief granted pursuant to this Stipulation and Agreed Order.

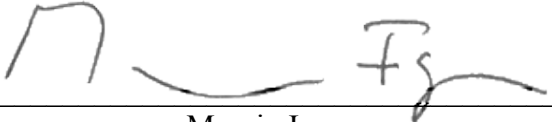
5. The Parties' rights with respect to any additional Trust Receipts due to the Buyer, including any accounts receivable, are reserved. Upon request, the Trustee shall promptly provide reasonable documentation and support to the Buyer regarding Trust Receipts received by the Debtors or the Trustee.

6. This Court shall retain jurisdiction with respect to all matters arising from or related to the implementation, interpretation, or enforcement of this Stipulation and Agreed Order.

7. This Stipulation and Agreed Order is effective and immediately enforceable upon entry.

**IT IS SO ORDERED.**

Signed: August 26, 2021

  
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Marvin Isgur  
United States Bankruptcy Judge

**AGREED AND ACCEPTED:**

/s/ Heather Heath McIntyre

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**COUNSEL FOR CHAPTER 7 TRUSTEE  
FOR THE ESTATE OF COUNTRY  
FRESH HOLDING COMPANY INC., et.  
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/s/ Justin Wood

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**COUNSEL FOR THE BUYER**